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Taxicab Commission

October 17, 2006

WORKING GROUP ON TAXI DRIVER HEALTH CARE SUBCOMMITTEE MEETING

5/S

October 17, 2006 at 2:00 p.m.
 Carlton B. Goodlett Place
 Room 201



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Health Care Plan by San Francisco Health
 [ON]
 of Public Health on Implementation of the
 INFORMATION & DISCUSSION]
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POSSIBLE MEETING POLICY

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 be available.

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Taxicab Commission

October 17, 2006

WORKING GROUP ON TAXI DRIVER HEALTH CARE SUBCOMMITTEE MEETING

October 17, 2006 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 201

1. Call to Order/Roll Call
2. Review of the Taxi Driver Health Care Plan by San Francisco Health Plan. [INFORMATION & DISCUSSION]
3. Update from Department of Public Health on Implementation of the new Health Access Plan. [INFORMATION & DISCUSSION]
4. Objectives of the Subcommittee. [DISCUSSION AND POSSIBLE ACTION]
 - A. Mandate/Authority
 - B. Objectives/Goals/Principles
 - C. Rules/Decision Making Process
 - D. Election of Chair
5. Adjournment

ACCESSIBLE MEETING POLICY

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Taxicab Commission

October 17, 2006

MINUTES

Room 201

City Hall, 1 Dr. Carlton B. Goodlett Place

October 17, 2006

2:00PM

Working Group on Taxi Driver Health Care Subcommittee Meeting

Present: Paul Gillespie; Tom Oneto; Ruach Graffis; Dennis Krokus;
 John Lazar

Absent: none

MEETING CALLED TO ORDER AT 2:10 P.M.

STAFF IN ATTENDANCE: Executive Director Heidi Machen, Jaime Poblitz -
 Taxi Commission

1. **CALL TO ORDER/ROLL CALL** - Roll Call showed a quorum was present.

PUBLIC COMMENT:

- **Charles Rathborne:** Suggests the Commission provide a group plan that all drivers can join like the Kaiser Plan drivers had previously.
 - **John Lazar:** Asks what the Kaiser plan was and why it wasn't a success.
 - **Charles Rathborne:** This plan was created by National Association of Socially Responsible Organizations which provided health care to independent contractors we had a Kaiser group plan, with a premium of \$250. This plan worked great for years but a problem arose between Kaiser and Nasro regarding payments, which ended the health insurance.
 - **Mark Gruberg:** Provides information on the Kaiser/Nasro health care plan to the subcommittee. Would like the subcommittee to keep in mind affordability since cab drivers are a low income group.
 - **Carl MacMurdo:** Provides background information to the subcommittee on legislation & reports on health care for taxi drivers.
2. **REVIEW OF THE TAXI DRIVER HEALTH CARE PLAN BY SAN FRANCISCO HEALTH PLAN [INFORMATION & DISCUSSION]**
 - **Senior Health Program Planner, Jim Soos** with the Department of Public Health provides the Subcommittee with overview and summary on the taxi driver health care plan.

PUBLIC COMMENT:

- **Charles Rathborne:** Does this plan apply only to the drivers or does it include driver's family members? Will the San Francisco Health Plan be an access card to the San Francisco General Hospital or is it a broader program than that?
- **Jim Soos:** Responds the plan applies to drivers only, adding

dependents will increase the cost. The Health Plan has contracts with a number of providers in the city and does not only include General.

- **Mark Gruberg:** Feels the dollar amount will increase because the number of drivers in the industry is unknown. Requests the Commission to obtain data from companies to compile information & background.
- **Jane Bolig:** A-cards will be renewed soon and all those questions can be answered then.
- **John Lazar:** Supervisor Peskin suggested a survey at the first of the year to ask the important questions.
- **Paul Gillespie:** Agrees with Mr. Lazar and suggests voting on a survey at the next Commission hearing.
- **Carl MacMurdo:** Suggests the subcommittee to think about questions to ask on the survey. If medallion holders/companies charge to pay for benefits would it need to go to the ballot as a special tax?
- **Jim Soos:** Yes in the opinion of the City Attorney, to capture revenue from medallion holders and companies it would be a tax under Prop 13 and it would require a two-thirds vote by the people.

3. UPDATE FROM DEPARTMENT OF PUBLIC HEALTH ON IMPLEMENTATION OF THE NEW HEALTH ACCESS PLAN. [INFORMATION & DISCUSSION]

- Senior Health Program Planner, Jim Soos with the Department of Public Health provides the Subcommittee with overview and summary on the health access plan.

PUBLIC COMMENT:

- **Charles Rathborne:** For a person who is not covered under HAP what is the cost to that person to participate?
- **Jim Soos:** Cost of the program per member, per month is roughly \$200.00 and is based on how much money they make.
- **Mark Gruberg:** Cab drivers are a low income group and hopes city funding will be available to help out. Questions the capacity for drivers for the two programs.
- **Jim Soos:** There is more than enough capacity but in regards to specialty doctors that can be concern within the safety net.
- **Carl MacMurdo:** Comments on the HAP and finds issues not addressed in report. Would like to see clinic benefits for all full time cab drivers; suggests Commission to look into transferability.
- **Dan Hinds:** Can you clarify on Medi-cal?
- **Jim Soos:** Medi-cal will not pay if someone has other coverage; if we consider the HAP to be insurance we lose the opportunity to put people into Medi-cal.

4. OBJECTIVES OF THE SUBCOMMITTEE. [DISCUSSION & POSSIBLE ACTION]

PUBLIC COMMENT:

- **Carl MacMurdo:** Suggests Tom Oneto to chair the subcommittee. Would like to see benefits for all drivers.
- **Charles Rathborne:** Would like to see a pay-it yourself group plan.

Discussion ensued, including the following points:

- Director Heidi Machendiscusses item with Subcommittee and gives timeline to report back to Board of Supervisors.
- Tom Oneto suggests the Subcommittee act on the survey as the first order of business.
- Heidi Machen states the committee will include stakeholders such as taxi

drivers, the public, legislative bodies, companies, and medallion holders in the survey.

- John Lazar suggests a survey on the meters to record the average amount a cab driver earns.
- Dennis Krokus discussed increasing the flag drop to pay for a health program.
- Director Machen offers Commission staff to participate in helping with a meter survey at the companies.
- Paul Gillespie requests Director Machen to calendar a proposed survey for the next Taxi Commission to vote on.

Ruach Graffis motions to nominate Tom Oneto as Chair of the Subcommittee. Paul Gillespie seconded the motion. Motion passes 5-0.

AYES: Graffis; Lazar; Krokus; Oneto; Gillespie

NOES: None

ABSENT: Kwok

RECUSED: None

5. ADJOURNMENT of the Subcommittee Meeting.

Meeting adjourned at 3:48 PM.

Respectfully Submitted,

Jaime Poblitz
Executive Secretary

CITY AND COUNTY OF
SAN FRANCISCO



TAXI COMMISSION
MAYOR GAVIN NEWSOM

WORKING GROUP SUBCOMMITTEE MEMBERS

TOM ONETO, CHAIR
JOHN LAZAR
RUACH GRAFFIS
PAUL GILLESPIE
DENNIS KROKUS

HEIDI MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

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NOV - 2 2006

November 7, 2006 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 421

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11-02-06P05:53 3040

1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Consideration of the Minutes from the October 17, 2006 Subcommittee Meeting. [ACTION]
4. Implementation of the Subcommittee's Driver Survey. [DISCUSSION & POSSIBLE ACTION]
 - A. Methodology
 - B. Possible City Partners for Implementation
 - C. Possible Industry Partners for Implementation
 - D. Mandatory or Voluntary?
5. Review of Future Meeting Agendas for Possible Adoption [DISCUSSION & POSSIBLE ACTION]
6. Adjournment

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WORKING GROUP SUBCOMMITTEE MEMBERS

TOM ONETO, CHAIR
BRIAN BROWNE
RUACH GRAFFIS
PAUL GILLESPIE
DENNIS KORKOS

HEIDI MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

January 2, 2007 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 201

1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Consideration of the Minutes from the November 21, 2006 Subcommittee Meeting. [ACTION]
4. Consideration of the Minutes from the December 5, 2006 Subcommittee Meeting. [ACTION]
5. Consideration of the Minutes from the December 19, 2006 Subcommittee Meeting. [ACTION]
6. Subcommittee's Driver Survey. [STATUS REPORT]
6. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Color Scheme Participation
 1. Percentage Contribution
 2. Color Schemes as Money Collectors
 3. Method of Billing (Medallion vs. Qualified Driver)
 - B. Driver Participation
 1. Survey Results
 2. Gate Charge Increase?
 3. Percentage Contribution
 - C. Medallion Holder Participation
 1. Percentage Contribution
 - D. Riding Public Participation
 1. Percentage Contribution
 2. Meter Increase
 - E. Other Sources of Funding (e.g., CCSF)
8. Consideration of Questions for Color Scheme Survey [DISCUSSION AND POSSIBLE ACTION ITEM]
9. Adjournment

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DENNIS KORKOS

HEIDI MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

**January 16, 2007 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 201**

1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Consideration of the Minutes from the January 2, 2007 Subcommittee Meeting [ACTION]
4. Subcommittee's Driver Survey [STATUS REPORT]
5. Presentation of Potential Health Plan Product by Sequoia Pacific. [DISCUSSION AND POSSIBLE ACTION ITEM]
6. Presentation by Controller's Office on actual amounts generated from sample stakeholder allocations; and elasticity of demand for riding public. [DISCUSSION AND POSSIBLE ACTION ITEM]
7. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Color Scheme Participation
 1. Percentage Contribution
 - B. Driver Participation
 1. Survey Results
 2. Gate Charge Increase?
 3. Percentage Contribution
 - C. Medallion Holder Participation
 1. Percentage Contribution
 - D. Riding Public Participation
 1. Percentage Contribution
 2. Meter Increase
 - E. Other Sources of Funding (e.g., CCSF)
6. Adjournment.

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CITY AND COUNTY OF
SAN FRANCISCO



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DENNIS KORKOS

HEIDI MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

January 30, 2007 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 421

1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items not on the agenda)
3. Consideration of the Minutes from the January 2, 2007 Subcommittee Meeting [ACTION]
4. Consideration of the Minutes from the January 16, 2007 Subcommittee Meeting [ACTION]
5. Subcommittee's Driver Survey [STATUS REPORT]
6. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Color Scheme Participation
 1. Percentage Contribution
 - B. Driver Participation
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 2. Meter Increase
 - E. Other Sources of Funding (e.g., CCSF)
7. Adjournment

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Taxicab Commission

January 30, 2007 - Health Care

[DRAFT] MINUTES

Room 421

City Hall, 1 Dr. Carlton B. Goodlett Place

January 30, 2007

2:00PM

Working Group on Taxi Driver Health Care Subcommittee Meeting

Present: Paul Gillespie; Tom Oneto; Ruach Graffis; Brian Browne,
Dennis Korkos

MEETING CALLED TO ORDER AT 2:05 P.M.

STAFF IN ATTENDANCE: Executive Director Heidi Machen, Deputy
Director Jordanna Thigpen

NON-VOTING MEMBERS IN ATTENDANCE: Tom Owen, Jim Soos, Ilene
Levinson

1. CALL TO ORDER/ROLL CALL - Roll Call showed a quorum was
present.

2. PUBLIC COMMENT:

- Michael Spain: There's no plan for how broad and comprehensive this plan is going to be. City says I have to pay \$50, because I am and independent contractor. This Committee and the Taxi Commission is shaking on thin ice, by imposing a fee which is typically for employees only. We have to follow a plan whereby you recompensate City and County of San Francisco clinics for drivers. These medallions gross \$250,000 a year, which the vast bulk goes to the drivers who make \$40,000-\$50,000. Drivers can afford to pay.
- Mark Gruberg: There is a notification from the Treasurer's Office is their determination that drivers pay a certain fee, based on municipal ordinance. There are different determinations for worker's compensation. These tax questions have been decided in the direction of drivers being independent, whereby worker's compensation has been decided in the other direction. The city has the authority to regulate taxis, but the question of status is a red herring. All drivers are to have access. We are all poor drivers.
- Charles Rathbone: I hope the Chair will be generous with respect to public comment on Item 6.
- Carl MacMurdo: [Reads Treasurer's Office form which asks for a W-2 if you're an employee.] I agree with Michael Spain.

3. CONSIDERATION OF THE MINUTES OF THE MINUTES FROM THE
JANUARY 2, 2007 SUBCOMMITTEE MEETING [ACTION]:

- Carl MacMurdo, Todd Rydstrom submitted non-substantive amendments concerning syntax.
- The Committee adopted a motion to approve with amendments by consent.

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4. **CONSIDERATION OF THE MINUTES FROM THE JANUARY 16, 2007 SUBCOMMITTEE MEETING [ACTION]:**

- The Committee adopted a motion to approve with amendments by consent.

5. **SUBCOMMITTEE'S DRIVER SURVEY [STATUS REPORT].**

- Deputy Director Jordanna Thigpen stated that a report would be available on February 6, 2007.

6. **STAKEHOLDER PARTICIPATION IN FINANCING [DISCUSSION AND POSSIBLE ACTION ITEM]**

- **Heidi Machen:** [References graphs and memo which staff provided.] There are two main questions: (1) which sources does the committee recommend using and (2) how will the funds be collected?
- **Dennis Korkos:** And I submitted a report regarding Healthcare Access Medallions.
- **Heidi Machen:** I did not recommend Healthcare Access Medallions as a final solutions. I spoke to Jim Soos and posed the specific question as to how much the city will fund for the Health Access Program, and it is \$111 million. The question of how much each source will contribute is the main question. We are looking for clarity today.
- **Jordanna Thigpen:** [gave report on graphs which staff created based on figures from the SF Health Plan and Controller's Reports.]
- **Heidi Machen:** The memorandum lays out the policy reasons for requiring participation from all available sources. Reading the SF Health Plan Report, I was very struck by the amount of money that this is going to require.

PUBLIC COMMENT:

- **Charles Rathbone:** I am curious regarding the \$16 million figure which is used in the graphs. We had a presentation last time for \$3m. I discussed this with Rich Hybels and he made \$100K in profit for the last year, for the first time ever. Using UTW's numbers, that means he'll have to give up \$70,000 a year, with his 25 medallions. The number has to come out of medallion holders. The medallion holder will take a double hit. All the companies are going to pass it on.
- **Mark Gruberg:** To Charles' point, a principal has to be established. This health plan will be in existence in perpetuity. We have to divide the pie as evenly as possible. Medallion holders have to bear their share. In principal, companies have to have participation. We have heard figures from some companies. How can companies be helped to do this? Through a meter increase, and through a lease fee increase. Upwards of 80% of the profit comes from permit holders.
- **Dennis Korkos:** You have never answered my question as to why you have not provided health care for your drivers.
- **Mark Gruberg:** I have the highest cost of anyone in the industry, because my employees get vacation and sick days, and my average gate is \$75/hr. I am doing that to leave it in their pockets. I am personally giving them money back into their pockets - \$500/month that I don't give them.
- **Carl MacMurdo:** I take exception that medallion holders make unearned income. We do take risks by having a cab on the street 24/7. We all want a champagne and caviar plan. I've heard of a \$10m-\$19m cost, and I think that can be challenged. It might be a beer and taco plan. We need a

clinical plan like AARBIS. The contractor vs. employee plan from Dublin Insurance was also good.

- **Dan Hinds:** If we set up a health program, we have to anticipate it's going to be there a long time. We are talking about a group who says they want to be independent. They are self-employed. We are creating a relationship that has never been tried.
- **Michael Spain:** The self-employed relationship is being reinforced. Drivers should have income, medallion holders should have income. These permits should increase in value periodically. Driver income is driver income. How do we compensate the medallion holders?
- **Mary McGuire:** You're talking \$10K-\$20K a year for medallion holders. How are you going to collect it? How would you feel if we levied a tax on you? This is destined to fail. It will upset the industry. You'll have a whole new group of people out of work. Rich Hybels told his drivers. And they will come to see you.

DISCUSSION ON ITEM 6:

- **Ruach Graffis:** The driver is paying twice. The driver pays the medallion holder a fee, and pays his own fee. I have no problem at all with that.
- **Brian Browne:** Who is running this meeting? The Chair should be running this meeting. I get the feeling we are being driven. These are all costs and they all go on to the industry. There is no analysis whatsoever. We have to get a bit more rigorous. We're not identifying specific funding sources.
- **Heidi Machen:** The Committee needs to decide what percentage contributions will occur.
- **Brian Browne:** I went to the School of Public Health and I know how important health care is. You're moved your supply curve up. We're not getting the nitty gritty. I'm working with departments where orthodoxy is practiced.
- **Tom Oneto:** How does any company pay for health care?
- **Brian Browne:** If you increase the fare - the demand for cabs is set at the current price.
- **Tom Oneto:** Let me give you a number. This industry makes a 3% profit. Where do you want the money to come from?
- **Brian Browne:** That's where we should start. We don't know if \$16 million is in the pot. I'd hope we have more. It might be the \$3 million, it might be the \$24 million. We've never done a systematic hike. We might have less revenue.
- **Ruach Graffis:** Our first job is to come up with who actually should go into paying for this. Should we ask the City? Should the meter get raised./ What position and what dollar amount should we assess to each group? We've identified color scheme holders, all drivers, the public, medallion holders, and the city.
- **Dennis Korkos:** We have to determine if 6A and 6C are the same source - color schemes and medallion holders. After all, it's coming from the same source.
- **Paul Gillespie:** In your way of thinking, it comes from the same place. We need to make a policy statement that it comes from the same place.
- **Dennis Korkos:** Whether it's small or large companies, it comes from the same place.
- **Paul Gillespie:** We're talking about who directly contributes. Just talking about billing, if we bill per color scheme, it's 32 bills, and if we bill per medallion, it's 1381 bills. If gates are raised, you will have money.
- **Dennis Korkos:** With worker's compensation we have the same situation. Whatever expense we have, the company will pass it on. I move to combine Items 6A and 6C.

- Brian Browne: I second that.

Paul Gillespie, Ruach Graffis, Tom Oneto: NO

Dennis Korkos, Brian Browne: YES

The

motion failed 3-2

- Paul Gillespie: We should have a vote on whether or not certain stakeholders should be included.
- Tom Oneto: If this were to go before the Board without a recommendation for gate increases, how would this get funded? Unless there's a gate increase, it seems there's no funding.
- Dennis Korkos: Companies choose to offer health care in order to be competitive. If they can't afford it, then they will not offer it. It's a unique situation. I have a proposal which outlines transferability as a way to pay for this.
- Heidi Machen: I heard Commissioner Gillespie suggest a vote on whether or not stakeholders should be included.
- Brian Browne: You have secondary income sources - gates and fares. Any plan that gets passed, can't be passed in absence of an agreement with the Board of Supervisors.
- Tom Oneto: All we can do is come up with a plan.
- Brian Browne: We need to have a continuing relief from the gate. Otherwise, we can't pay for our health plan.
- Dennis Korkos: We should go with a plan like the AARBIS plan.
- Ruach Graffis: Let's go with a policy decision. Policy decisions go first.
- Tom Oneto: Let's decide who the participants should be.
- Heidi Machen: Yes, and how these funds would be collected. You would need to decide on drivers - either through the A-card, or through a gate fee. Medallions - through color schemes or through direct billing, or through a P-16 increase.
- Paul Gillespie: I'll make a motion that color schemes should participate as a funding source.
- Ruach Graffis: I second that.
- Dennis Korkos: Medallion holders and color schemes are one.

Paul Gillespie, Ruach Graffis, Tom Oneto: YES

Dennis Korkos, Brian Browne: NO

The motion

carried 3-2

- Paul Gillespie: Now we have to decide if all drivers and participating drivers should contribute. Should all drivers pay, even if they opt out? Speaking against my own interest, I recommend that we make all drivers pay. I move that we have either an annual or quarterly contribution from all drivers.
- Tom Oneto: I second.
- Dennis Korkos: I don't know what the mechanism is for collecting the money.
- Heidi Machen: Potentially, at A-card renewal or bills could be sent on a quarterly basis.

Paul Gillespie, Ruach Graffis, Tom Oneto, Brian Browne: YES

Dennis Korkos, Brian Browne: NO

The motion

carried 4-1.

- Paul Gillespie: Another contribution would be participating drivers. I move that we include participating drivers as a contributor.
- Dennis Korkos: I second.

Paul Gillespie, Ruach Graffis, Tom Oneto, Brian Browne, Dennis Korkos:
YES

The motion carried unanimously.

- **Ruach Graffis:** I move that all medallion holders participate financially.
- **Paul Gillespie:** I second. There has to be a new source of funding.
- **Brian Browne:** Where would it come from?
- **Paul Gillespie:** A gate increase. I recommend that we revisit it every two years.
- **Brian Browne:** I am asking how it would be collected.
- **Heidi Machen:** You are voting on whether or not medallion holders should be part of the pie. Then you can vote on the collection mechanism if you choose, and then next, a gate fee increase.
- **Dennis Korkos:** We are here to try and get a program, that would not have to jump through too many hoops. Having us contribute would mean that it would have to go to the ballot. That's one stumbling block. I feel drivers are independent contractors and not employees. That's another stumbling block. Tom Owen, am I right?
- **Tom Owen:** That question depends in part on how it's shaped. I cannot answer it off the cuff about whether or not it should go the ballot on the issue of medallion holders.
- **Paul Gillespie:** You already voted no on whether color schemes contributed, on the basis that medallion holders would be contributing. Now if you vote no on medallion holders contributing, you're saying medallion holders should not contribute.
- **Dennis Korkos:** That's right.
- **Heidi Machen:** We have a motion and a second on the issue of medallion holders contributing.

Paul Gillespie, Ruach Graffis, Tom Oneto: YES
Dennis Korkos, Brian Browne: NO

The motion

carried 3-2.

- **Heidi Machen:** You have two more questions here - how would the portion be collected, and whether there would be some sort of a relief through regulatory relief.
- **Brian Browne:** How would the portion be collected? If it comes from the medallion holder, it would be fine with appropriate regulatory relief. If we're going to get medallion holders, we should say appropriate regulatory relief, like freezing the gate. I move that if it comes through the medallion holders, it's fine with appropriate regulatory relief.
- **Heidi Machen:** Are you willing to throw out the previous vote?
- **Tom Oneto:** If you make it all the gate increase, then the driver is paying for all of it.
- **Heidi Machen:** Brian first said, every single penny would be paid through a gate increase, but if you did an offset credit, then a portion would be paid for.
- **Ruach Graffis:** I am not willing to do this. The permit holders have an income which comes from the drivers. Drivers will be paying twice, once as mandatory and another as participating. Then a third time as fee for service. Drivers will be hit 3 times. And now we're talking about the permit holders getting a gate increase? You are never getting my vote on that.
- **Paul Gillespie:** If it's going to come through the gates, that when we can consider the riding public. I request that we rescind the vote and vote on this, with Brian Browne's amendment about appropriate regulatory relief.

- Brian Browne: How would you amend the previous motion?
- Paul Gillespie: Right now we are just saying that everyone is going to contribute.
- Heidi Machen: Brian is willing to say, a gate fee increase. The point of contention here is merely, what portion of the medallion holder's portion would be relieved by a gate fee increase.
- Tom Oneto: Until we get to this portion, we can't say there will be any relief.
- Ruach Graffis: Every single driver will be paying without relief. That's not going to get any compensation. The only people we're contemplating for any kind of compensation is the people making money when they're not working? We are just making policy decisions right now. Drivers are paying three times. Why this time do they get a break? Let's go back to the original vote that medallion holders should be participants.
- Heidi Machen: A fare increase should be discussed first. It would be good for everyone to come to consensus on this issue. If you vote on far increase, then you can return to the question of whether the medallion holders can be part of the pie with a gate fare increase tied to a meter increase.
- Paul Gillespie: I vote for a fare increase and the riding public participates.
- Tom Oneto: I second.

Paul Gillespie, Ruach Graffis, Tom Oneto, Dennis Korkos, Brian Browne:
YES

The motion passed unanimously.

- Heidi Machen: Now you are back to the question of medallion holders contributing.
- Paul Gillespie: I move that medallion holders participate.
- Ruach Graffis: I second.

Paul Gillespie, Ruach Graffis, Tom Oneto: YES

Dennis Korkos, Brian Browne: NO

The motion

carried 3-2.

- Heidi Machen: Were you going to address the question of how medallion holders would be billed for their share? Whether it was annually or through billing the companies for the share?
- Tom Oneto: I don't think you can bill for a whole year's worth at once. Even monthly would be a lot better.
- Paul Gillespie: I move that CCSF participates in the funding.
- Tom Oneto: I add that all groups get credited by percentage for CCSF's contribution.
- Paul Gillespie: I accept your amendment.

Paul Gillespie, Ruach Graffis, Tom Oneto, Dennis Korkos, Brian Browne:
YES

The motion passed unanimously.

- Paul Gillespie: The two other things are potentially great ideas - transferability and healthcare medallions, but both need to go to the ballot.
- Dennis Korkos: The medallion holder contribution will be a special tax,

and so will the color scheme contribution. It will have to go the ballot, or go to court.

- **Tom Owen:** It depends how it's structured. You have to increase the charges on the color schemes.
- **Brian Brown:** So the BOS sets fares every two years. If it included health care, it has to go to the ballot?
- **Dennis Korkos:** Taxing the public through a meter increase has to go to the ballot.
- **Tom Owen:** It needs to be looked at. It's the difference between justifying a fare increase or including a special tax like the hotel tax or parking tax. But then it's the city's money.
- **Paul Gillespie:** I would be willing to look at putting together a task force that would look at adding new medallions solely for health care.
- **Dennis Korkos:** I move that we have health care medallions and the profit from that would go to fund health care. Then it would go to the city.
- **Brian Browne:** And I move to amend - they should be auctioned off like in NY. But I second.
- **Dennis Korkos:** I don't accept your amendment.
- **Brian Browne:** I second.

Paul Gillespie, Ruach Graffis, Tom Oneto, Brian Browne: NO
Dennis Korkos: YES

The motion failed 4-1.

- **Dennis Korkos:** I move that we include transferability.
- **Brian Browne:** I second.

Paul Gillespie, Ruach Graffis, Tom Oneto: NO
Dennis Korkos, Brian Browne: YES

The motion failed 3-2.

The Chair continued Item 6 to the next agenda.

7. ADJOURNMENT

The meeting was adjourned at 4:00 PM.



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WORKING GROUP ON TAXI DRIVER HEALTH CARE SUBCOMMITTEE MEETING

February 6, 2007 at 2:00 p.m.

City Hall, 1 Dr. Carlton B. Goodlett Place

Room 201

1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Subcommittee's Driver Survey. Explanatory Documents (report by Jordanna Thigpen) [DISCUSSION AND POSSIBLE ACTION ITEM]
4. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Color Scheme Participation
 1. Percentage Contribution
 - B. Driver Participation
 1. Gate Charge Increase
 2. Percentage Contribution
 - C. Medallion Holder Participation

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1. Percentage Contribution

D. Riding Public Participation

1. Percentage Contribution

2. Meter Increase

E. CCSF Contribution

5. Getting Value For Our Money [DISCUSSION AND POSSIBLE ACTION ITEM]

6. Adjournment

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Taxicab Commission

February 6, 2007 - Health Care

[DRAFT] MINUTES

Room 201

City Hall, 1 Dr. Carlton B. Goodlett Place

February 6, 2007

2:00PM

Working Group on Taxi Driver Health Care Subcommittee Meeting

Present: Paul Gillespie; Tom Oneto; Ruach Graffis; Brian Browne,
Dennis Korkos

MEETING CALLED TO ORDER AT 2:05 P.M.

STAFF IN ATTENDANCE: Executive Director Heidi Machen, Deputy
Director Jordanna Thigpen

NON-VOTING MEMBERS IN ATTENDANCE: Tom Owen, Todd Rydstrom,
Ilene Levinson, Carrie Winsten

1. CALL TO ORDER/ROLL CALL - Roll Call showed a quorum was
present.

2. PUBLIC COMMENT:

- Michael Spain: I will repeat my comments from before. You are being totally unrealistic in your ambitions to create a health plan. You are not looking at plans. All plans are going to fall on the owner drivers. Companies have a marginal profit - the only funds are from the permit. I believe you will be laughed out of the room.
- Mark Gruberg: I feel compelled to respond. I take objection at "owner" - there is no property right here. The Controller has picked \$1900/month and many companies here are paying \$2,000. The vast majority of profits go to medallion holders. It comes out to \$1.50/hr, or \$30/\$40 shift that goes to the medallion holder.
- Dennis Korkos: You refer to our income as unearned income, but if we had bought our permits on the open market, would you still do that?
- Charles Rathbone: I am a so-called owner. I have no qualms about sharing profits. The \$1800/month he refers to is virtually all my profit. There is no reason to say profits are pernicious. I am not sure why that keeps getting repeated.
- Tom Owen: Please do not respond during public comment to the comments of other individuals.
- Carl MacMurdo: I am going to violate what Tom Owen just said. The \$21,000 is before taxes. Aaron Peskin actually called the income measly, in a raucous Budget and Finance Committee hearing. When Rivera's medallion was revoked, the decision said "owner," even though technically the city is the owner.

3. SUBCOMMITTEE'S DRIVER SURVEY [STATUS REPORT].

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- **Deputy Director Jordanna Thigpen** gave a report on the Driver Survey and presented some pie charts indicating percentages per question for the currently tabulated total of 3351 completed surveys. She thanked **Todd Rydstrom** from the Controller's Office to help create a template for the charts. She explained that the Taxi Commission lacks the software to do cross tabulation but that the Controller's office had generously agreed to provide help with that. **Todd Rydstrom** offered to provide the help with staff in his department so a more full report could be presented for the February 20, 2007 meeting, and **Jordanna Thigpen** promised to put the rest of the survey responses in so they could be tabulated.

PUBLIC COMMENT:

- **Charles Rathbone:** On the question, why don't you have any insurance, there are plenty of people who can't afford it. I have many friends who can't afford to contribute. A key finding of the survey is that only 39% are willing to contribute. There is a remarkable lack of interest in the rank and file. It raises a question, as to the basis of what we are doing?
- **Mark Gruberg:** The Committee should expect spin from the group. 33% said they would not make a contribution. Without cross tabulation, there is no reference as to who these people are and whether or not they already had insurance.
- **Carl MacMurdo:** Thanks to Jordanna Thigpen, Todd Rydstrom, and staff.
- **Michael Spain:** The 60% who have coverage, I don't want to pull them over to the 40%. Are we going to devise a plan that pulls them over from plans they are already in? It's obvious that there are people who want to pay less. I don't want to encourage people to abandon their plan and I think you are going to throw people into a plan. We should do a study on actual driver income. Without that, we should not be going ahead with this. You have not done your homework no how much drivers really make.
- **Mary McGuire:** I said it last week, If I have to pay for everyone else's health plan, I'll have to go on to the SF General Hospital Plan or whatever you're proposing. I have a pre-existing condition and I have a partnership with my doctor. If you're a medallion holder like myself, I can't afford to pay for Kaiser when my COBRA runs out. I don't see this surviving, because you'll have people like me back on the dole. Kaiser doesn't want older people with pre-existing conditions.

DISCUSSION:

- **Ilene Levinson:** When individuals are paying out of their own pocket, they are more conscious of what is being paid out. In terms of individual coverage, I raised the Health Savings Accounts as one option. In the individual marketplace this is like picking up money. It would be great to see more analysis of the individual plan holders.
- **Paul Gillespie:** I'll follow up on what Charles Rathbone said - either no contribution or no response was 60% of people, so only 39% of people say they want to contribute. There's a lot larger number of no responses for that question. 82% who can't afford health care and that's why they don't have it. For the no contribution, I think I know who these people are - they've talked to me over the past few months and they don't want anything to do with this plan. We need to know how this is going to affect real people. There's no answers there, I know, but when I see that 60% of people don't want to make a contribution, and 82% can't afford it and that's why they don't have it, it's a problem.
- **Ruach Graffis:** We need to remember it was probably medallion

holders who said they did not want to contribute. We are looking at something that's good for the city. If we have drivers who aren't covered, we have problems in the city. There's precedent for laws that take care of people, whether they want to be taken care of or not - like a seatbelt or helmet law.

- **Paul Gillespie:** Why did only 537 medallion holders answer?
- **Jordanna Thigpen:** Only post Prop-K would be likely to get an A-card, based on the corporate ownership and elderly population who owns pre Prop-K. We still have more surveys to put in.
- **Brian Browne:** Who designed this survey?
- **Jordanna Thigpen:** The Committee designed it, based on staff recommendations and the Controller's survey from the past.
- **Brian Browne:** It was well designed. Many years ago we tried to design a mathematical model to determine why people seek health care. We looked at variables like age, gender, ethnicity. We looked at a multivariate analysis. That was Stockton Medical Foundation. We need to put our finger on what the problem is, why people aren't interested.
- **Paul Gillespie:** What I am talking about now is the mandatory element. There are people who don't want to be in. There are people who are going to push back and resist.
- **Brian Browne:** Do you think our mandatory decision was right in light of this survey?
- **Paul Gillespie:** I still would like to have the option to offer mandatory vs voluntary, but I've been working since this first meeting to make it mandatory. We've decided that only people who have insurance can opt out. Is what we're going to offer them going to be better? We're going to be the first to require people to pay for their health care. People worry about long lines at SFGH. Mary's case is compelling, she has good coverage with Kaiser. People shouldn't be led down the garden path and think it's \$40/month. There were a lot of people who have told me they are interested, but there are many others who said they are not interested.
- **Larry Winsten:** We've been providing healthcare for many city employees through a health care trust. The essence of group insurance is having everybody in it. The response as a defense mechanism is, I can't afford it or I don't need it. There's a commitment to knock down the gates. The next assumption blocks out the concern. It's going to be better quality coverage than a person can get on their own. The economics will be better and they will be driven to this plan.

At the Chair's request, the Committee skipped Item 4 on the agenda.

5. GETTING VALUE FOR OUR MONEY [DISCUSSION AND POSSIBLE ACTION ITEM]

- **Heidi Machen:** We discussed a lot of Item 4 last time. We still have the discussion about percentage contribution to decide on. I would recommend changing the order of items. We have members of our working group here to discuss three proposals.
- **Ilene Levinson:** I have listened and learned a lot from all these committee meetings. The question is, what does this represent? We want to truly think about what we can deliver. The very first challenge is that as a whole, the drivers don't have access to a whole plan. The second issue is access for all drivers. We are proposing plans where everyone has access, no matter where they live. The third issue is administration. The trust that we're proposing has dealt with these groups in the past. Another challenge, offering value. We can give you a \$70 plan as well, but what is that buying? We can guarantee coverage.

We've addressed all concerns. [Ilene Levinson then went over a handout which she had brought for the meeting and is part of the public record; Carrie Winsten and Ilene Levinson answered questions about the handouts.]

- **Dennis Korkos:** So for all of your plans, it doesn't matter if they are employees or independent contractors?
- **Ilene Levinson:** No, it is group coverage for whatever group you create.
- **Paul Gillespie:** What about the network?
- **Larry Winsten:** Any provider, any hospital is the network - no limitation. Some physicians have better deals than others.
- **Brian Browne:** What is the size of the pool needed, and what plan do they have to belong to?
- **Ilene Levinson:** It's a minimum 500 drivers and they don't have to all belong to Kaiser or CCHP. Some could choose Kaiser, some could choose CCHP. How it ends up being mandatory, voluntary, whatever, these rates are on the table. We just need 500 drivers in the pool.
- **Paul Gillespie:** So if we wanted to put options out there, we can put out all options, as long as 500 people enroll. Mary, what are you paying now for Kaiser?
- **Mary McGuire:** I'm still on the city health plan, which is the best deal going. I pay \$370. It's COBRA. Then I will pay \$500, \$600. I know people paying \$900.
- **Paul Gillespie:** What about pre-existing conditions?
- **Ilene Levinson:** Everyone is included. No exclusion for pre-existing condition.
- **Tom Oneto:** What if the plan goes away?
- **Larry Winsten:** There is no COBRA - if it goes away, it is gone, because there is no more sponsor. They come in during open enrollment.
- **Ilene Levinson:** These plans are guaranteed issue. When any new group is rolled out, any eligible people are offered the plan equally. They have to choose within sixty days. The guaranteed part is only within the 60 days. It's offered every year.
- **Charles Rathbone:** Thank you for shedding light on these plans. As someone who is likely to end up floating the bill, I'd like to say that AARBIS has created a cheaper plan that is half the price of this, which is similar, but not the same. My question is, when I lose my ability to drive, how do I keep my coverage?
- **Carrie Winsten:** I cannot answer that right now.
- **Brian Browne:** I have some questions which may or may not be brief. If we get involved in all these options, they could choose any, at different rates?
- **Larry Winsten:** They are all insured by the carriers. We are not the insurer like Kaiser, Chinese Community, etc. We're just the facilitator. We're the administrators.
- **Brian Browne:** So regardless of how many show up, the plan accepts them? Pre-existing conditions should not be excluded.
- **Ilene Levinson:** Yes.
- **Carl MacMurdo:** What if a driver has a serious accident in the first 1.5 years? If someone with a Kaiser Plan, they can continued to be covered. But under this plan, given the eligibility, once you're in the hospital for 6 months, you're stuck.
- **Larry Winsten:** His hypothetical alluded to the fact that if you're no longer eligible for the plan, you're knocked off. That won't eliminate you. If you were covered at the time you got sick, you remain covered.
- **Ilene Levinson:** The San Francisco Health Plan is an "all or nothing" plan according to Ellen Kaiser but we can administer something

different.

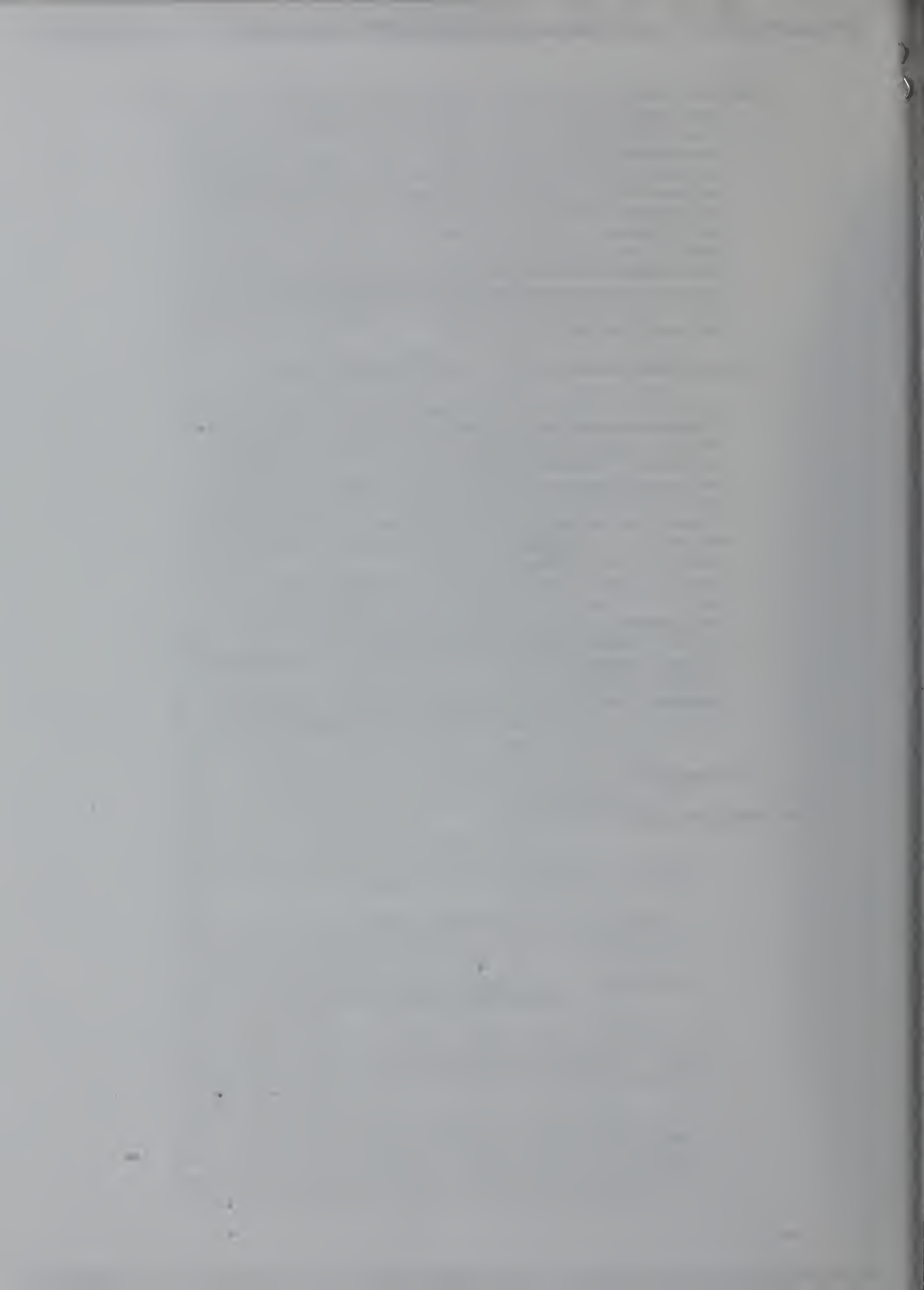
- **Paul Gillespie:** There was never a commitment to administer this program, from SFHP.
- **Heidi Machen:** The HAP had to be ERISA-proof. So you can't say to an employer, you have to offer a certain benefit. We have to come back to the Board with a menu of options. We need to go with the SF Health Plan proposal or with this menu of options.
- **Paul Gillespie:** I want to do this right and I am interested in this Kaiser option, as well as Select Benefits.
- **Brian Browne:** I am working on my own alternative, my own plan. There are a lot of big numbers being thrown around - we don't know what we're going to get for \$16 million. It's a question of where you put the tax and who pays for it eventually.

The Chair continued discussion of Items 4 and 5 to the next agenda.

- **Mary McGuire:** You need to go back and rethink this. If they only need 500 people to sign up, maybe you want to make this voluntary. It seems a lot better than shoving things down people's throats. It's going to fail. No disrespect to Commissioner Oneto, but when you organize people you go from the bottom up. Drivers without medallions don't even want this health plan and they say they will quit driving. And then you could eliminate those eligibility requirements as well. I have shopped and I think they have good prices. It seems like you should reconsider and it is more sane to make it voluntary.
- **Tom Owen:** What did you mean by the Taxi Commission sponsoring the plan and what would we be undertaking to do that?
- **Larry Winsten:** You have all the elements - you're disseminating information about the plan and can make a group.
- **Jordanna Thigpen:** What are the ERISA implications though of the Taxi Commission doing that?
- **Tom Owen:** You can't say it's a negotiated benefit, because they're not our employees. This is governmental fiat, not a negotiated benefit.

6. ADJOURNMENT

The meeting was adjourned at 4:08 PM.



CITY AND COUNTY OF
SAN FRANCISCO



TAXI COMMISSION
MAYOR GAVIN NEWSOM

WORKING GROUP SUBCOMMITTEE MEMBERS

TOM ONETO, CHAIR
BRIAN BROWNE
RUACH GRAFFIS
PAUL GILLESPIE
DENNIS KORKOS

HEIDI MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

DOCUMENTS DEPT.

FEB 20 2007

February 20, 2007 at 2:00 p.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 201

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1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Subcommittee's Driver Survey. Explanatory Documents (report by Jordanna Thigpen) [DISCUSSION AND POSSIBLE ACTION ITEM]
4. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Color Scheme Participation: Percentage Contribution
 - B. Driver Participation
 1. Gate Charge Increase
 2. Percentage Contribution
 - C. Medallion Holder Participation: Percentage Contribution
 - D. Riding Public Participation
 1. Percentage Contribution
 2. Meter Increase
 - E. CCSF Contribution: Percentage Contribution
5. Getting Value For Our Money: which plans will provide the best value and who will administer them? Explanatory documents. [DISCUSSION AND POSSIBLE ACTION ITEM]
6. Adjournment

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MINUTES

Room 201

City Hall, 1 Dr. Carlton B. Goodlett Place

February 20, 2007

2:00PM

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Working Group on Taxi Driver Health Care Subcommittee Meeting

Present: Paul Gillespie; Tom Oneto; Ruach Graffis; Brian Browne, Dennis Korkos

MEETING CALLED TO ORDER AT 2:11 P.M.

STAFF IN ATTENDANCE: Executive Director Heidi Machen, Deputy Director Jordanna Thigpen

NON-VOTING MEMBERS IN ATTENDANCE: Ilene Levinson, Carrie Winsten, Jim Soos, Tom Owen

1. **CALL TO ORDER/ROLL CALL** – Roll Call showed a quorum was present.
2. **PUBLIC COMMENT:** no public comment was offered
3. **SUBCOMMITTEE'S DRIVER SURVEY [STATUS REPORT].**

Deputy Director Jordanna Thigpen presented data from the Driver Survey, including updated graphs and charts (reflecting 4,331 surveys) which had been produced by herself and by Rick Wilson, an intern with the Controller's Office. She thanked Todd Rydstrom of the Controller's Office for allocating Rick's time and thanked Rick for his excellent work. She noted that the graphs would be placed on the Internet and would be presented in the final report

PUBLIC COMMENT:

Carl MacMurdo: There is a low number of responses for those who can pay as much as \$100. This is remarkably low. Only 39% are willing to pay something. And only 7% are willing to pay as much as \$100 a month when you look at the other charts.

· **Charles Rathbone:** Staff has done a tremendous amount of good work here. I look forward to it being on the Internet.

· **Mark Gruberg:** I have a little different read on these figures than Carl MacMurdo. The implication of their remarks is that drivers don't care about health care. The way the question is worded, is what the maximum you could contribute. So the question is what people think they can afford to contribute. We should look seriously at the Chart which counts only these who responded 'No, I'm not covered.' I would also point out that the number of no responses, when we are looking only at the "No, I'm not covered" people, went down dramatically. There's lots of interesting information here.

4. STAKEHOLDER PARTICIPATION IN FINANCING[DISCUSSION AND POSSIBLE ACTION]

Executive Director Heidi Machen gave a report on a memorandum she had prepared in advance of the meeting. Using the figure of approximately \$16,000,000 to pay for a Taxi Driver Health Plan, the memorandum describes the percentage contributions necessary from each stakeholder which would be required to cover the total figure.

PUBLIC COMMENT:

· **Charles Rathbone:** I'm trying to do some quick arithmetic here. I'd like to point out generally that the contribution being asked from medallion holders is a large percentage of total income. Medallion holders only have the income from their medallion and a small Social Security check. I will survive it if it's taken from me, but I'm thinking about friends who are old and feeble living out in the Sunset district. We get \$1800/month and that's it.

· **Brian Browne:** Charles, could you go through how you would arrive at the \$1800/month per medallion?

· **Charles Rathbone:** It's the check I get each month from Luxor Cab. It's very typical. Other medallion holders get less from other companies.

· **Mark Gruberg:** This \$1800/month is also accompanied by gate discounts, and medallion holders get a choice of shift. This is probably the most valuable perk of all. Work when you want, take off when you want – a lot of other perks. It's not just the check. And for a person who is retired and receiving this income, this is totally unearned income. There's no requirement that that person is fulfilling at that point, with the exception of handing over their medallion to a company. I also want to talk about the company contribution. It's very important that the company contribution be part of this mix.

· **Carl MacMurdo:** I want to echo what Charles said. The \$1800/month is all people get out of this. The better shifts are for senior drivers – it's what comes with paying your dues. The unearned income comments, I don't agree with that.

DISCUSSION:

- **Brian Browne:** The CCSF contribution, would that come from non taxi revenues, like the General Fund, or would it be from another source?
- **Jim Soos:** For the HAP, it's strictly General Fund. I worked on the SFHP, and we did not include a CCSF contribution to that. My assumption is that when you talk about getting a contribution from CCSF, it's a straight General Fund contribution. That's the way Healthy Kids is funded as well. It is not a tax on the industry itself.
- **Jordanna Thigpen:** In the survey, in regards to Question 7, where do you get medical care, including no responses, 9.86% of people said they got coverage at SFGH. Of those who did respond, not including no responses, 24% of people get health care from the city. So that is something to look at for the CCSF contribution. All along the assumption has been, the City will contribute more if more people are getting care from the system.
- **Jim Soos:** The only problem is that we do not know how much care they got. There are finance people at DPH who would be able to average the figures. A couple of months' ago, I came up with \$1,000,000 that could be attributed to taxi drivers, based on use of SFGH. That response was based on people who listed a cab company as their employer, who did list their employer.
- **Brian Browne:** Would a fare increase be added on as a tax?
- **Heidi Machen:** It would be similar to the paratransit program. There was an agreement that 10 cents would be added on, which became part of the fare and went back to CCSF.
- **Brian Browne:** So that would not be an additional amount for drivers – it would be transferred to the health plan?
- **Heidi Machen:** A meter increase is separate. The CCSF contribution would offset everyone else.
- **Brian Browne:** So it would not be a special fare increase. It would just be a tax which increases the cost of doing business and would affect elasticity.
- **Tom Oneto:** Brian, do you understand that elasticity of demand is an argument for drivers – not for companies? There is no elasticity of demand for companies.
- **Dennis Korkos:** If business goes down, and it's not worth it for drivers to drive, then that affects companies. Not every shift every day is filled.
- **Ruach Graffis:** These days, companies who aren't filling their shifts, simply aren't hiring drivers.
- **Dennis Korkos:** 92-98% of Yellow shifts are filled. Not every shift every day is filled. I get a report which indicates how much I get paid and how many shifts have been filled.

- **Brian Browne:** I want to say that I took the Controller's numbers and reproduced them in spreadsheets. Then I changed the elasticities. Using his elasticities, the total revenues increased but the numbers of rides taken decreased. The number of rides does decrease. I am agreeing with Tom that it does have an impact. You guys have the institutional knowledge, I am just looking at the numbers. Is \$16, \$17 a realistic number for an average fare?
- **Tom Oneto:** I am not arguing your point on demand. What I am saying is, say an average cab takes 16 runs. And because of the price increase it's only 15 runs. The driver loses out, but the company still receives the gate fee.
- **Brian Browne:** I understand, but I am saying, if you cut back on demand, less people will drive cabs, and there will be less gates increase. You say that is not the case without empirical knowledge, and you are probably right under the circumstances. But Todd did 5 different elasticities.
- **Heidi Machen:** These are just some figures to work from. You may wish to break these down as you did previously and decide the percentages for each stakeholder. If you want to put a cap on each stakeholder, that might be something workable that you could vote on today.
- **Paul Gillespie:** I see us going down a road with a variety of options. There's several groups of people to contribute. When I first came, I thought that it was all about one plan. But it's really about a varying amount. So if we offer options, the participating driver contribution depends on which plan they select.
- **Brian Browne:** So right now, you have \$10m-\$18m on the table. You said the plan was \$19m. A fare increase of 25 to 45 cents is being considered. And \$3m from CCSF. Is that correct?
- **Heidi Machen:** The \$16m is the SFHP program. There was no set amount requested from CCSF.
- **Tom Oneto:** The Winsten plan has \$14.1m, \$16.8m, and \$18.3 options. There is a good Kaiser Plan that drivers could upgrade to.
- **Brian Browne:** Is the fare increase offsetting the increase for everyone else? The fare increase does not offset anyone's contribution is what I understand.
- **HeidiMachen:** That is correct – only the CCSF contribution offsets the everyone else.
- **Dennis Korkos:** I need to point out once more, like I did last week. Whatever you charge color schemes, they'll pass on to medallion holders. We cannot afford to take that kind of hit. No way, no how. We clear \$15K a year from the medallion. You're talking about taking that down by almost two thirds. People have all sorts of different economic situations. They have childcare, high rent, whatever. We are not CEOs making 400 times what a worker makes.

- **Tom Oneto:** How is it that all medallion holders can't afford their costs, when they are getting an extra \$20K a year, and you're expecting all drivers to contribute? If you total up what all medallion holders make, it's over \$20m.
- **Dennis Korkos:** Proposition K was set up to be a benefit. You are trying to attack that benefit. We have to pay taxes on the check we get. This is not some under the table income.
- **Ruach Graffis:** The permit holders get an advantage by getting any shift, new cabs, they get to go to any company they want. The amount of money they get from leasing their medallion to the cab company, is completely apart from that.
- **Dennis Korkos:** What is written here, that we each pay \$3K, translates to \$6K for the medallion holder.
- **Paul Gillespie:** So you are opposing the color scheme fee, or the medallion holder fee?
- **Dennis Korkos:** When you consider what the companies pay, it is the same as us.
- **Heidi Machen:** If we increased the fare by 25 to 45 cents, how much does that translate to for the gate fee – how much would the gate increase.
- **Linda XX:** I am not familiar enough with what Todd did to answer that right now.
- **Heidi Machen:** We are thinking maybe \$5 per night?
- **Paul Gillespie:** Yes, that's kind of what I was figuring. What if the fare was raised to cover the color scheme fee? Because I just don't think the money is there. I think the medallion holder amount is there. Why not just call it a fare increase? Drivers aren't paying twice, because they are getting a fare increase.
- **Heidi Machen:** So \$96.50 would become the new gate?
- **Dennis Korkos:** You might have to raise it twice to cover the color scheme contribution and to cover the percentage we planned on from the riding public.
- **Ruach Graffis:** We already have the highest gate increases in the country. It's because the medallion holders are making so much money. They're getting much more than they are in NY. We have tried to get these gate caps reduced. We've already got high meter rates.
- **Jordanna Thigpen:** What will happen to the 25 cent increase that already occurred in the flag drop? Theoretically, that was a stop gap measure to wait and see what this committee produced. Are we going to consider that is the 25 cents, or do we now have room to double again for the color scheme contribution?
- **Dennis Korkos:** That was going to be my point because then we would raise it three times: basic cost of living, riding public contribution, and color scheme contribution. We'll have to go three notches that way.

- **Heidi Machen:** I would again suggest that if you want to accomplish this today, you go through each stakeholder and suggest a cap for each one.
- **Tom Oneto:** What would the advantage be of having an increase in the price per mile, rather than on the flag drop? One ride would take care of it per shift.
- **Dennis Korkos:** It seems to me that if CCSF is insisting that we have healthcare, then CCSF should be seeking money to pay for it and contributing from the General Fund.
- **Ruach Graffis:** Well, it will happen. The meters will go up.
- **Dennis Korkos:** Can the riding public even afford it? That is the question. Medallion holders can't afford it.
- **Heidi Machen:** If you want to take these stakeholders and start with CCSF – I've been hearing, savings to CCSF from \$1m-\$3m.
- **Ruach Graffis:** I move that we ask for a 20% contribution from CCSF.
- **Paul Gillespie:** I second.

Paul Gillespie, Ruach Graffis, Tom Oneto: yes.

The motion carries 3-2.

Dennis Korkos, Brian Browne: no.

- **Tom Oneto:** I want to make a point on behalf of companies, that we need to take administrative costs into consideration.
- **Brian Browne:** My motion is that CCSF makes up the shortfall, because they made us do this plan. If the 20% contribution is not enough, that is.
- **Dennis Korkos:** I second.
- **Tom Oneto:** Doesn't this contradict what we just did?
- **Brian Browne:** The 20% came out of thin air. If the 20% doesn't make it, CCSF will make it up. CCSF should underwrite it the way the FDIC does the banks.
- **Tom Oneto:** It's just that, how are they going to put a number on this that they can put in their budget? The Board can't do that from a budgetary standpoint. The shortfall could be anything from \$3m to the full amount of \$14m.

Paul Gillespie, Ruach Graffis, Tom Oneto: no

The motion fails 3-2.

Dennis Korkos, Brian Browne: yes

- **Paul Gillespie:** I have been sitting here, and I came up with 100% this way. I move that we ask for 10% from drivers, 20% from participating drivers, 25% from medallion holders, 25% from

color scheme holders, and 20% from CCSF. That is not putting down a contribution on the fare increases. That means \$4m from color schemes and medallion holders approximately.

• **Tom Oneto:** We are trying to come up with a total of \$80 for participating drivers, right? \$10-\$20 for all drivers and \$60 additional for participating drivers.

• **Paul Gillespie:** 10% is \$1.6m – that would be \$20/month. I am just talking percentages right now. I want to make it clear that I am not talking about the measure of options or where the color schemes will come up with their amount of money.

Paul Gillespie, Ruach Graffis, Tom Oneto: yes

The motion carries 3-2.

Dennis Korkos, Brian Browne: no

Items 4 and 5 were continued for discussion to the next meeting on March 6, 2007.

5. ADJOURNMENT of the Subcommittee Meeting at 4:08 PM.

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CITY AND COUNTY OF
SAN FRANCISCO



TAXI COMMISSION
MAYOR GAVIN NEWSOM

WORKING GROUP SUBCOMMITTEE MEMBERS

TOM ONEJO, CHAIR
BRIAN BROWNE
RUACH GRAFFIS
PAUL GILLESPIE
DENNIS KORKOS

THEO MACHEN, EXECUTIVE DIRECTOR

**WORKING GROUP ON
TAXI DRIVER HEALTH CARE
SUBCOMMITTEE MEETING**

March 6, 2007 at 10:30 a.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 201

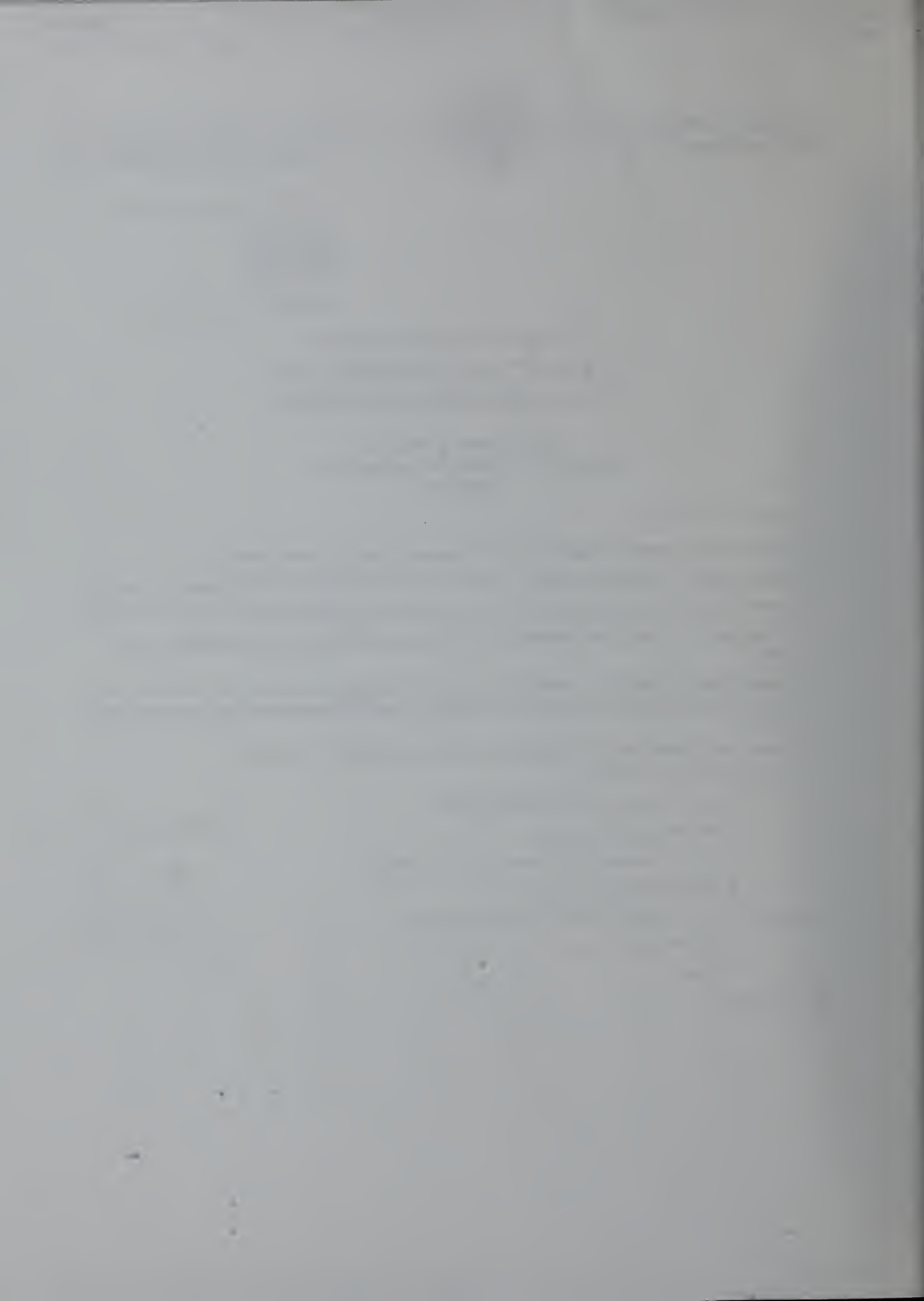
1. Call to Order/Roll Call
2. General Public Comment (Please limit public comment to items **not** on the agenda)
3. Consideration of Minutes from January 30, 2007 meeting [DISCUSSION AND POSSIBLE ACTION ITEM]
4. Consideration of Minutes from February 6, 2007 meeting [DISCUSSION AND POSSIBLE ACTION ITEM]
5. Consideration of Minutes from February 20, 2007 meeting [DISCUSSION AND POSSIBLE ACTION ITEM].
6. Getting Value For Our Money: which plans will provide the best value and who will administer them? Explanatory documents. [DISCUSSION AND POSSIBLE ACTION ITEM] [Explanatory documents to be provided at hearing]
7. Stakeholder Participation in Financing [DISCUSSION AND POSSIBLE ACTION ITEM]
 - A. Riding Public Participation
 1. Will it defray costs to certain stakeholders?
 2. Will the amount be capped?
 3. What will happen to the October 2006 .25 increase?
 4. Will there be a gate increase?
8. Allowable Opt-Outs from the Plan – who can be exempted?
 1. Single Owner Operators
 2. Others
9. Adjournment

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MINUTES

Room 201

City Hall, 1 Dr. Carlton B. Goodlett Place

March 6, 2007

10:30 AM

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Working Group on Taxi Driver Health Care Subcommittee Meeting

Present: Paul Gillespie; Tom Oneto; Ruach Graffis; Brian Browne, Dennis Korkos

MEETING CALLED TO ORDER AT 10:35 AM.

STAFF IN ATTENDANCE: Executive Director Heidi Machen, Deputy Director Jordanna Thigpen

NON-VOTING MEMBERS IN ATTENDANCE: Ilene Levinson, Carrie Winsten, Jim Soos

1. CALL TO ORDER/ROLL CALL – Roll Call showed a quorum was present.

2. GENERAL PUBLIC COMMENT:

• **Mark Gruberg:** I have a document entitled "Healthcare by the Numbers" which I would like to hand out. UTW is proposing drivers pay \$40 as a monthly premium for insurance. That represents 12% of the premium costs. The driver contribution rate assumed in the SFHP/DPH Report was 15-20%. The annual A-card increase for all drivers has to be \$228.60. 84.34% of drivers without insurance said the reason they do not have it, is lack of affordability. 38.12% of drivers without insurance said they could afford to pay more than \$50/month.

• **Charles Rathbone:** Dennis will distribute another plan with zero premium to drivers. This is a healthcare plan available at fractional cost to the industry.

• **Carl MacMurdo:** On p. 30 of the SFHP/DPH Report, it states that the City Attorney has reviewed charging medallion holders and has determined that any charge to medallion holders will need to go to the ballot. Please send a plan forward like the one described in the handout that Charles is referencing.

· **Jim Gillespie:** It amazes me that this Committee is trying to fund a \$16 million plan. There aren't two pots. Also CCSF is pushing a health plan and Ammiano has proposed an amendment which would cover drivers working in CCSF. I think we can find a way to supplement the Health Access Plan. I wish people would focus on reality.

· **Michael Spain:** With respect to the Chair, this is just stacked with driver representatives. Mark Gruberg established the income from peak time medallions to be \$52,500 per year. There has been a big shift in the amount the drivers can make. To put this on the industry without looking at driver income seems false.

3. CONSIDERATION OF THE MINUTES FROM THE JANUARY 30, 2007 MEETING. [DISCUSSION AND POSSIBLE ACTION ITEM]

· **Brian Browne:** I believe that we should pay for a transcriber because what I said isn't being accurately reflected. I want to come in and listen to the tapes.

· **Paul Gillespie:** I move to adopt the minutes.

· **Ruach Graffis:** Second.

Paul Gillespie, Tom Oneto, Ruach Graffis, Dennis Korkos: yes
carries 4-1.

The motion

Brian Browne: no.

4. CONSIDERATION OF THE MINUTES FROM THE FEBRUARY 6, 2007 MEETING [DISCUSSION AND POSSIBLE ACTION ITEM]

· **Brian Browne:** I have the same objection.

· **Paul Gillespie:** I move to adopt the minutes.

· **Ruach Graffis:** Second.

Paul Gillespie, Tom Oneto, Ruach Graffis, Dennis Korkos: yes
carries 4-1.

The motion

Brian Browne: no.

5. CONSIDERATION OF THE MINUTES FROM THE FEBRUARY 20, 2007 MEETING [DISCUSSION AND POSSIBLE ACTION ITEM]

· **Brian Browne:** I have the same objection.

· **Dennis Korkos:** on page 4 of the minutes, I was saying that the money should come from the General Fund.

· **Paul Gillespie:** I move to adopt the minutes with Dennis's amendments.

Ruach Graffis: Second.

Paul Gillespie, Tom Oneto, Ruach Graffis, Dennis Korkos: yes
carries 4-1.

The motion

Brian Browne: no.

6. GETTING VALUE FOR OUR MONEY: WHICH PLANS WILL PROVIDE THE BEST VALUE AND WHO WILL ADMINISTER THEM? [DISCUSSION AND POSSIBLE ACTION ITEM]

Heidi Machen: Staff has prepared a memorandum on what the different plans we have heard about would look like, by the percentages as this Committee has approved them. Also, staff prepared a memorandum of February 19, 2007 describing some of the issues around administration and collection of funds. [Memorandums are part of record]

PUBLIC COMMENT:

Charles Rathbone: I would like to refer to the Medallion Holders Association document which was distributed earlier. In this plan, there is no minimum hours requirement, no processing of an A-card needed. 100% of the funding would come from a .25 increase in drop. End up with \$3.6m per year which is the approximate cost of the plan. We encourage the city to contribute but we would like to see this stay at home. We'd like to see access to clinics.

Mark Gruberg: It should be crystal clear that there are a group of participants here only to protect their own pocket books. To select one of these low-level plans is the equivalent to sending someone out to sea in a rickety boat and hoping they reach the other shore. They are invested in a low-level plan, and then they get cut off. Please look at the Dublin Services Plan and in particular the Kaiser component as the way to go.

Michael Spain: I am with the VA. Sometimes I sit there 1.5 hours before I get service. For us to believe drivers cannot sit in a clinic, is ridiculous. Charles outlined a plan which has our support, and DPH estimated \$1m that it could contribute. We have anticipated setting up a plan which supports reimbursing the city.

Carl MacMurdo: If this Committee recommends a caviar and champagne plan, it won't fly. A lot of drivers are reluctant to wait hours, but we can structure something where they make appointments.

Ilene Levinson: From the beginning, we've addressed affordability, accessibility, and choice. We have the ability to put a \$75/month plan forward as well. We feel the benefits are unconscionable, so we haven't. A driver could be blindsided by the additional costs. The two elements we have that are not in the Aarbis plan, are CCHP and Kaiser. BY offering only one choice, you're not giving drivers the option.

DISCUSSION:

- **Tom Oneto:** When I see free and \$3.6m, I wonder, who's going to pay for this? Brian Browne has repeatedly pointed out, elasticity of demand. Your plan is all about making the drivers and the public pay.
- **Dennis Korkos:** This plan does not have to go to the ballot – it has no administrative fees.
- **Paul Gillespie:** It's also not much in the way of health insurance. It's very little more than going to free clinics.
- **Dennis Korkos:** The difference is that this is reasonable.
- **Ruach Graffis:** The big problem here is the fees will certainly go up. And then, the meter will have to go up. Where is the cost of living for that? You've got to cover the cost of health care. I don't have a problem with the driver paying some money. I'd like to see the meter increase go towards the driver contribution. The problem with this plan, it's so minimal, and you use it up.
- **Brian Browne:** The Controller reviewed 6 different elasticities. All were done in the 1990s – we're now post-9/11. Then the Controller gave us a matrix. This is the holy grail of how we respond to fares. You can go up to \$23m. If you increase the fare, after a short time, people take another mode of transportation. Any charge increase, increase the marginal cost of doing business. I want to ask Jim Soos – we're trying to insure every person in San Francisco. What benefits would we get by having people go over to HAP? I want to find out. We're trying to do the best we can but everyone's trying to get these people here. What can you give to our 4000 drivers? These elasticities don't provide any meaningful numbers. That's my economics for the day.
- **Jordanna Thigpen:** HAP is not insurance, and it is not portable. Additionally, the amendment regarding those who only work in SF and don't actually live here hasn't passed the Board yet, so all the drivers who stated they are not San Francisco residents, would not be covered. Additionally, color schemes are not contributing to HAP, because drivers are considered independent contractors, and this Committee has voted that color schemes should contribute. Only businesses with employees pay.
- **Brian Browne:** Well I just want to say that looking at what the Controller submitted, it's an impossible dream.
- **Ruach Graffis:** What I am hearing is that because of the HAP plan, color schemes don't pay. Other small businesses pay but color schemes do not.
- **Brian Browne:** I went through a hard phase where I had to come up with \$7,000 a year for health care for my family. We have to come up with something that is reasonable for the Budget Committee.
- **Paul Gillespie:** It's interesting when you say there's no pot of money. There is if you consider the following proposal. We should mandate the use of high-efficiency vehicles – CNG/hybrid. The driver saves \$15-\$20 per night. \$5 of that will go to the COLA increase, \$5 goes to the color schemes to subsidize the purchase of the vehicles, and \$5 goes towards the contribution for health

care. We get a brand new, clean, and green taxi fleet. Drivers save more on gas. Then we raise the gates \$15. As far as what we offer, I think we offer the Dublin Plan, and people can upgrade to a higher plan. The only way we're going to make this better, is to enhance the viability.

- **Tom Oneto:** Unfortunately, your plan is not on the agenda. It could go on the Commission agenda however. Additionally, it was mandated by the Board that we offer many proposals.
- **Ruach Graffis:** When we go forward with our recommendation, I would expect them to be recommendations – not, “You can have this garbage.”
- **Dennis Korkos:** I am confused because I thought we voted to have one plan.
- **Carrie Winsten:** For ERISA purposes, it is OK to have on base amount with other options and then people pay the difference on their own. If you're talking about a dollar amount, and it's middle of the road. Then people are trying to upgrade to the higher option.
- **Ruach Graffis:** That being said, I am leaning towards CCHP and Kaiser.
- **Ilene Levinson:** Under the menu, then if you decide Select Benefits for funding, you can upgrade.
- **Ruach Graffis:** I propose we fund at CCHP.
- **Carrie Winsten:** You want to keep Select Benefits?
- **Ruach Graffis:** I move that we contemplate CCHP and Kaiser only.

There was no second.

- **Paul Gillespie:** Can we recommend Dublin?
- **Carrie Winsten:** Dublin was able to obtain the best rates.
- **Brian Browne:** Dennis Korkos presented a great, low-cost plan. I don't think the higher cost plans are realistic.
- **Dennis Korkos:** Even you Tom have said that it's all coming from the meter. Why complain about a measly 25 cent increase? My plan is just one more option.
- **Brian Browne:** Then if you're going through \$11m, \$14m. You have to go back and look at the contributing elasticities. Everything will come off the meter eventually. Todd didn't put in much higher ones.
- **Tom Oneto:** That is exactly why all of this should go back to the full Commission. Then we can discuss options like Paul had. This is our last meeting.
- **Paul Gillespie:** We don't have a chart here in our memorandum from staff showing the higher amount for CCHP and for Kaiser. I would like to see that.

- **Ruach Graffis:** I want to get rid of Select Benefits.
- **Tom Oneto:** It cannot be all or nothing, Ruach. There has to be realistic financing.
- **Ruach Graffis:** If we can find the money for \$11.5m for Select Benefits, then we can find it for the higher plan. Let's not compare apples and oranges with garbage.
- **Paul Gillespie:** Kaiser and CCHP are the same price.
- **Tom Oneto:** I move to forward all plans offered by Dublin, with a recommendation for Select Benefits.
- **Ruach Graffis:** I am not willing to have Select Benefits as the base.
- **Paul Gillespie:** I second.

Ruach Graffis, Tom Oneto, Paul Gillespie: yes

The motion carries 3-2.

Dennis Korkos, Brian Browne: no

- **Heidi Machen:** Now the Committee needs to decide who the administrator will be, for purposes of the employer of record. The question is, who would administer the plan?
- **Paul Gillespie:** I move that we recommend a Taft-Hartley Trust with a Memorandum of Understanding or some entity as employer of record.
- **Tom Oneto:** I second.
- **Brian Browne:** Who would be the administrator?
- **Dennis Korkos:** Would an administrator cost money?
- **Brian Browne:** I don't have enough information to vote on this. I would probably vote for it, if I knew more about it.
- **Carrie Winsten:** The industry standard is 3-4% for administration. We are charging 1.67%.
- **Ruach Graffis:** I would like to introduce an amendment to the motion that any Taft-Hartley Trust be required to comply with the recommendations on pp. 3 and 4 of the staff memorandum of February 19, 2007.
- **Paul Gillespie:** I accept your amendment.

Ruach Graffis, Paul Gillespie, Tom Oneto: yes

The motion carries 3-2.

Dennis Korkos, Brian Browne: no

7. STAKEHOLDER PARTICIPATION IN FINANCING [DISCUSSION AND POSSIBLE ACTION ITEM]

PUBLIC COMMENT:

· **Charles Rathbone:** It's an elementary understanding of business that all costs end up going through to the customer. If you're talking about a \$14m-\$17m plan, that will be passed on to the customer. Trying to fund through the fare box is wrong. We should consider the consequences.

· **Mark Gruberg:** I don't agree with that. We're not asking for a COLA. The .25 cents from last year didn't even come close. Drivers and companies are swallowing the cost at this point – we are all swallowing something. We recommended a modest meter increase. We are asking drivers to pay a small portion. The .25 cent increase that already occurred is for gas and should be considered a done deal.

· **Dennis Korkos:** Didn't UTW oppose the last meter increase?

· **Mark Gruberg:** Yes, because we wanted it tied into the healthcare discussion.

· **Michael Spain:** The last gate/meter increase was in 2002. I agree it has to come from the fare box/ What I see out there, is that there are too many riders. Even low-income workers, people who take the bus, are standing at the bus stops flagging cabs. I see a tremendous amount of ridership. If you make it cheap for everyone, you'll have excess demand. The public can pay another \$1.50-\$2.00 per fare. Without a meter increase, this is not feasible.

DISCUSSION:

· **Ruach Graffis:** I have some suggestions. I hear the companies' pain. This might be the time to discuss a medallion lease fee cap.

· **Dennis Korkos:** We are talking about meter and gate increases. Your proposal is not on the agenda.

· **Ruach Graffis:** There is a \$1.50 that the companies have been collecting for paratransit, which should have been earmarked for this.

· **Paul Gillespie:** I want to have my proposal for the \$15 gate increase before the Commission. We are still due for a meter increase, but I don't want to recommend it for health care.

· **Brian Browne:** We're creating an entitlement program. We need to get rid of the regulatory lag.

· **Tom Oneto:** I agree with you. This will increase yearly. CCSF has to be aware of it, because they go through their budget yearly. They will have to properly regulate. We should insist on a preamble. Does everyone agree that the contribution from the riding public should defray costs to certain stakeholders?

· **Ruach Graffis:** No. I don't agree. Drivers deserve the lion's share of any meter increase since they're paying 30%.

· **Paul Gillespie:** Last year we talked about a \$1 increase. What we've put on color schemes right now, it's not sustainable. There is money in medallion holders, but in color schemes, there's no money.

· **Ruach Graffis:** I would like to see the health care plan go forward.

· **Brian Browne:** My general commitment to regulatory reform covers all of these points. Today, nothing will be achieved. Let's commit to regulatory reform that will address the issues of defraying costs, capping the amount of the meter increase, the .25 cent increase, and whether there will be a gate increase.

· **Paul Gillespie:** The Board has already committed to looking at the gate and meter every two years.

· **Brian Browne:** Well we should have more public hearings. We should have a system. Aaron Peskin has stated "I hate this taxi business." We should have public hearings on the meter and gate.

· **Paul Gillespie:** 50 cent flag drop increase, \$10 gate increase is what I am advocating at this point.

· **Ruach Graffis:** How about a .50 cent flag drop increase and a \$5 increase in the gates.

· **Dennis Korkos:** With the types of plans you are proposing, the burden on the riding public is just too much.

· **Paul Gillespie:** \$5 gate increase and .50 cent flag drop is too much?

· **Dennis Korkos:** You have to increase the fares for COLA, and the gates as well. It will spiral to an unworkable amount. I am looking at what the industry can sustain.

· **Paul Gillespie:** I move for a 50 cent drop with at least a \$5 increase. \$10 is more realistic.

· **Ruach Graffis:** I will go with \$5 only. I second.

· **Paul Gillespie:** Brian, I want to make clear to you, that this does not in any way deal with an inflationary aspect. This should more than cover the color scheme portion.

Paul Gillespie, Ruach Graffis, Tom Oneto, Brian Browne: yes
-1.

The motion carries 4

Dennis Korkos: no

8. ALLOWABLE OPT-OUTS FROM THE PLAN – WHO CAN BE EXEMPTED?

PUBLIC COMMENT:

• **Charles Rathbone:** Obviously a single owner-operator should be excluded. He has no drivers and there is a burden on him to provide healthcare. Why would we want them to opt out – it's to get out of an unreasonable tax, that's why.

• **Jim Gillespie:** 39% of drivers aren't interested in contributing, and we have to push this forward. Other people should be able to opt out too though, specifically, those with insurance.

• **Michael Spain:** I don't understand this item. In single owner operators, I would also include long-term leases. It should be anyone who can verify they're in a plan.

• **Mark Gruberg:** I think when you start allowing exemptions, you have enforcement problems. For owner operators, does that mean the color scheme doesn't have to pay their part, or the medallion holders wouldn't pay their part, or both? The 50 cent increase will go a long way to cover the color scheme portion. It will make it easier for them to pay. Those with proven insurance should be allowed not to participate. It's a whole different question talking about color scheme vs. medallion contributions.

• **Frank Dunne:** Will single owner/operators be able to keep the rate increase? Since they are opted out?

DISCUSSION:

The Committee agreed by consensus not to vote on this issue.

9. ADJOURNMENT

The meeting was adjourned at 12:40 PM.

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